

FILED

AUG 16 2016

**SECRETARY, BOARD OF
OIL, GAS & MINING**

**BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH**

IN THE MATTER OF THE REQUEST FOR AGENCY ACTION OF AXIA ENERGY II, LLC FOR AN ORDER MODIFYING THE BOARD'S ORDERS ENTERED IN CAUSE NOS. 131-14, 139-42, 139-90 TO ESTABLISH 1,280-ACRE (OR SUBSTANTIAL EQUIVALENT) DRILLING UNITS FOR THE PRODUCTION OF OIL, GAS AND ASSOCIATED HYDROCARBONS FROM THE LOWER GREEN RIVER-WASATCH (COLTON) FORMATIONS, COMPRISED OF SECTIONS 25 THROUGH 36 OF TOWNSHIP 2 SOUTH, RANGE 2 WEST, USM AND SECTIONS 25 THROUGH 28 AND 33 THROUGH 36, OF TOWNSHIP 2 SOUTH, RANGE 3 WEST, USM, ALL IN DUCHESNE COUNTY, UTAH

**MOTION FOR LEAVE TO FILE
AMENDED AND RESTATED
REQUEST FOR AGENCY ACTION**

Docket No. 2016-018

Cause No. 139-140

COMES NOW, Axia Energy, II, LLC ("Axia"), acting by and through its attorneys, Beatty & Wozniak, P.C., and pursuant to Utah Admin. Code Rules R641-105-100 and R641-105-300, and hereby requests the Utah Board of Oil, Gas and Mining (the "Board") for leave to file an Amended Request for Agency Action ("Amended Request") in this Cause in which the original Request for Agency Action was filed on August 10, 2016.

The only change related to the Amended Request is that it allows for flexibility for the operator to determine which pattern, whether it be stand-up or lay-down 1280-acre drilling units, works best to maximize recovery of resources on the eastern side of the lands included within the original request.

The need for these amendments stems from additional analysis of the limited geological data of the lands included within the original request that are located in Township 2 South, Range 3 West. The lands included within the original request located in Township 2 South, Range 2 West, remain unchanged as pertaining to the Amended RAA. Based on this additional analysis occurring after filing the original request, it appears that a north-south orientation on stand-up 1280-acre drilling units may not be the best way to maximize resource recovery and prevent waste. The justification for allowing flexibility in determining which way the drilling units should be oriented in Township 2 South, Range 3 West, is stated in the Amended RAA as follows:

“Horizontal well performance and recovery is dependent on optimizing hydrologic fracture stimulation area. This is determined by initiating stimulation at or near 90 degrees to the maximum horizontal stress direction. Limited data available within the Subject Lands suggest that the maximum horizontal stress direction rotates from ~N 70 degrees west on the eastern side of the Subject Lands (the lands located in Township 2 South, Range 2 West), to ~N 20 degrees west on the western side (the lands located in Township 2 South, Range 3 West). This rotation would require a change in horizontal well orientation from north-south on the east (T2S, R2W), to east-west on the west side (T2S, R3W), to optimize well performance and recovery. Given the possibility of this change occurring in

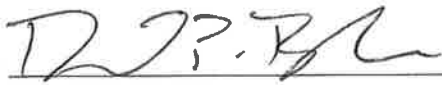
Township 2 South, Range 3 West, Axia requests the flexibility to have either stand-up 1280-acre or lay-down 1280-acre drilling units in the lands located in Township 2 South, Range 3 West in the event data reveals the need to change horizontal well orientation to east-west in that area.”

Any changes within the Amended RAA relate only to this particular issue. Due to the fact that stand-up 1280-acre drilling units in the lands located in Township 2 South, Range 3 West may not be proper based on the limited data available, Axia seeks to allow for flexibility in determining which is the correct orientation. Additional testimony related to this issue will of course be presented at the hearing. All other requested relief remains as stated in the RAA.

Utah Admin. Code Rule R641-105-100 provides, in relevant part, that “[a]ny petition or other materials filed after the 10th day of any calendar month may be considered by the Board at its regularly scheduled meeting during the following month only upon separate motion of petitioner at or before the hearing for good cause shown.” Since the relief sought by the RAA is not materially altered by the proposed changes, only that Axia be allowed flexibility in determining the orientation of the drilling unit in a portion of the Subject Lands, the requested amendments will not materially impact the administrative process and proceeding with the hearing on September 28, 2016 as scheduled. In addition, Axia has not as of yet sent the required notice to interested parties since the original request was filed less than one week ago. Presuming this Motion is granted, Axia will immediately send notice to all interested parties

which will include a copy of the Amended Request. At this time, there are no adverse parties or any other parties that have made an appearance in this matter. As a consequence, and for the reasons outlined above, Axia respectfully requests this Motion for Leave be granted.

BEATTY & WOZNIAK, P.C.

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CERTIFICATE OF SERVICE

I hereby certify that, on this 16th day of August, 2016, in addition to the original and seven copies hand delivered to the Board's Secretary, I caused a true and correct copy of the foregoing Motion for Leave to File Amended and Restated Request for Agency Action to be sent electronically to:

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